GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:494
ANSWERED ON:29.04.2002
INSURANCE PREMIUM PAID BY INDIAN AIRLINES
YEMPARALA VENKATESWARA RAO

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the total amount paid by the Indian Airlines as insurance premium during 2000-2001 and 2001-2002;

(b) the names of insurance companies with which Indian Airlines is insured;

(c) whether amount paid by IA this year as premium is higher than that of previous year;

(d) if so, the reasons therefor; and

(e) the steps proposed to be taken by the Indian Airlines to get insurance at the best possible rates?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a), (b), (c), (d) and (e): A statement is laid on the Table of Sabha.

STATEMENT IN REPLY TO PARTS (a),(b),(c),(d) AND (e) OF LOK SABHA STARRED QUESTION NO.494 FOR 29/4/2002 REGARDING INSURANCE PREMIUM PAID BY INDIAN AIRLINES.

(a): The insurance premium in respect of aircraft, spares and third party liabilities for the years 2000-01 and 2001-02 is as follows:

(Rs. in crore)

1st October 2000 to 30th September,2001	59
1st October, 2001 to 30th September,2002	185

(b): M/s. General Insurance Corporation of India (GIC) were the insurers of Indian Airlines upto 30th September, 2001. Consequent upon GIC becoming National re-insurer, M/s. New India Assurance Co. Ltd. are the insurers for Indian Airlines/Alliance Air w.e.f. 1st October, 2001.

(c) and (d): There has been a steep increase in the Insurance Premium due to hardening of insurance market and increase in War risk insurance premium and levy of additional surcharge in respect of third party war risk liability by the insurers after September 11, 2001 incident in U.S.A.

(e): The Aviation Insurance Policies of Indian Airlines/Alliance Air in respect of aircraft, spares and third party liabilities are renewed from 1st October of every year.

On each occasion, a Team consisting of Senior officials of Indian Airlines, Ministry of Finance (Department of Insurance) and the Chief Executive of National Insurer make detailed presentations before the underwriter abroad. In this presentation, steps taken by Indian Airlines towards improvement in the critical operational areas such as flight safety, engineering, flight training, security measures etc. are highlighted. This helps Indian Airlines to obtain the best possible rates for renewal of insurance policies.